

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

INTERNATIONAL METAPHYSICAL
MINISTRY, INC.,

Plaintiff,

v.

WISDOM OF THE HEART CHURCH,

Defendant.

Case No. 21-cv-08066-KAW

**ORDER VACATING PRETRIAL
CONFERENCE AND TRIAL
DEADLINES; SETTING BRIEFING
SCHEDULE FOR MOTIONS FOR
SUMMARY JUDGMENT**

On March 24, 2023, the Court requested supplemental briefing regarding Defendants' assertion that both Plaintiff's principal (Michelle Behr) and Defendant's principal (Christine Breese) believed that the four marks at issue in this case were registered when they entered into the Settlement Agreement, specifically § 7.2's prohibition on the use of registered trademarks. (Dkt. No. 139 at 1.) Specifically, the Court requested supplemental briefing on: (1) whether the parties' mistaken belief affected interpretation of the contract; (2) what evidence did Plaintiff have that the parties intended to prevent use of the four marks, regardless of whether they were registered or not; and (3) whether there was mutual assent to § 7.2 if Defendant only intended to protect registered trademarks. (*Id.* at 1-2.)

On April 14, 2023, the parties filed their supplemental briefs. Defendant argued that because there was undisputed evidence that both parties believed that the four marks were registered trademarks when they entered into the Settlement Agreement, there was no mutual assent. (Dkt. No. 140 at 5-6.) Thus, Defendant requested that the Settlement Agreement be rescinded and the action dismissed. (*Id.* at 10.)

Plaintiff, in turn, argued that the parties knew that one of the terms at issue -- "Theocentric Psychology" -- was not a registered trademark. (Dkt. No. 141 at 3.) In support, Plaintiff pointed

to the initial and amended complaint in the previous action leading to the Settlement Agreement; the initial complaint alleged trademark infringement for all four marks (including “Theocentric Psychology”), while the amended complaint only alleged trademark infringement for three marks (no longer including “Theocentric Psychology”). (*Id.* at 2.) Based on that, Plaintiff argued that the parties must have known that “Theocentric Psychology” was not a registered trademark at that time. (*Id.* at 3.) Plaintiff further argued that by then including the unregistered “Theocentric Psychology” in § 7.2’s prohibited terms, the parties meant to protect the specifically identified terms, regardless of registration. (*Id.*) Plaintiff also pointed to the fact that Defendant originally refrained from using all four terms, as purportedly required by the Settlement Agreement. (*Id.* at 6-7.) Thus, Plaintiff asserted that the Court should reform the Settlement Agreement. (*Id.* at 5.)

The Court is not clear as to how Plaintiff’s amended complaint imputed knowledge on Defendant that “Theocentric Psychology” was not registered. Likewise, it is not clear why Defendant’s original compliance with the Settlement Agreement demonstrates that Defendant knew that some of the terms were not registered, or that Defendant meant to prohibit use of those terms even if they were not registered. If, as Defendant states, it believed the terms were registered at the time, and that the Settlement Agreement was meant to protect registered terms only, Defendant’s original compliance with the Settlement Agreement would appear consistent with such beliefs (mistaken as they may ultimately have been).

Given these disputes, Plaintiff’s request for reformation of the contract, and Defendant’s request for rescission of the Settlement Agreement and dismissal of the action, the Court finds it necessary to resolve this issue to determine the scope of the case. Accordingly, the Court VACATES all pending trial deadlines, including: (1) the May 1, 2023 deadline to provide revised exhibit lists, proposed jury verdict forms, and jury instructions; (2) the May 24, 2023 pretrial conference; and (3) the June 9, 2023 trial date. Instead, the Court SETS the following briefing schedule for the parties to file a motion for summary judgment on these issues, *i.e.*, whether the Settlement Agreement should be reformed or rescinded:

Motion for Summary Judgment: **May 22, 2023**

Opposition: **June 12, 2023**

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